R 121146Z MAR 09 FM AMEMBASSY BERLIN TO SECSTATE WASHDC 3537 INFO WHITE HOUSE WASHINGTON DC SECDEF WASHINGTON DC DIA WASHINGTON DC CIA WASHINGTON DC DEPT OF TREASURY WASHINGTON DC FRG COLLECTIVE AMEMBASSY BRUSSELS AMEMBASSY LONDON AMEMBASSY PARIS AMEMBASSY ROME USMISSION USNATO USMISSION USOSCE HO USAFE RAMSTEIN AB GE HQ USEUCOM VAIHINGEN GE//J5 DIRECTORATE (MC)// CDRUSAREUR HEIDELBERG GE UDITDUSAREUR HEIDELBERG GE

UNCLAS BERLIN 000286

STATE FOR INR/R/MR, EUR/PAPD, EUR/PPA, EUR/CE, INR/EUC, INR/P, SECDEF FOR USDP/ISA/DSAA, DIA FOR DC-4A

VIENNA FOR CSBM, CSCE, PAA

"PERISHABLE INFORMATION -- DO NOT SERVICE"

E.O. 12958: N/A

TAGS: OPRC KMDR KPAO GM AF US FR IR XF XH SU CU SY SUBJECT: MEDIA REACTION: AFGHANISTAN, NATO, MIDEAST, IRAN, SYRIA, ECONOMY, ICC

- 11. Lead Stories Summary
- 12. New Strategy on Afghanistan
- 13. France's Return to NATO Command Structure
- ¶4. Mideast and Iran Policy
- ¶5. Financial Crisis
- 16. Relaxation of U.S.-Cuban Relations
- 17. ICC Arrest Warrant for Bashir
- 18. Eastern European Economic Problems

1. Lead Stories Summary

Almost all media opened with lengthy stories on the teenager who killed 15 people in southern Germany. Handelsblatt led with a story on the rift between the U.S. and Europe prior to the G20 summit, and FT Deutschland led with a story on auto-parts manufacturer Continental's plans to close two plants. Editorials focused on the school rampage and France's return to NATO's military command.

12. New Strategy on Afghanistan

The weekly Die Zeit remarked in its lead story under the headline "Obama and the Rogue Guys" that: "The President suddenly wants to talk to fundamentalists and dictators. But history shows sometimes that this neither turns the baddies into good guys nor the Americans into peace angels.... However, after eight years of Bush, Obama can contribute something real. He wants to listen and exploit the power of his country with others, not against them. This is good for America and good for the rest of the world."

13. France's Return to NATO Command Structure

Sueddeutsche commented: "Militarily, hardly anything will change when the French now rejoin NATO's command structure. Sarkozy's turn towards NATO must rather be seen as a signal. He no longer wants to be on the sidelines in an alliance with 26 members.... However, for Sarkozy this is not just about defining France's leading role. The egomaniac in the Elysee also wants to improve his role. He believes he is playing on the level of President Obama."

Die Welt editorialized: "With this change, the pro-American Sarkozy ended a long debate: the dispute between the Atlanticists, who wanted to cooperated closer with the United States, and the

Europeanists, who called for a European defense identity as a counterweight to the United States. As of yesterday, France is clearly situated on the Atlantic."

Handelsblatt remarked: "President Sarkozy's policy is consistent. Given that French soldiers die in NATO missions in Afghanistan, it does not make sense for the country to stay out of the NATO command. The policy of the 'empty chair' had become purely symbolic in recent years and France can well do without it. France's special role meant no political advantage.... Sarkozy sold his NATO rapprochement somehow optimistically, saying that it was possible only because there now is a European defense policy. But there is not much of a European defense policy to speak of.... If France with its European partners wants more influence in NATO, the Europeans must take action. Otherwise the U.S. will not take this interest seriously. Apart from the British and maybe the French, Europeans do not provide sufficient equipment for its forces. The next test will be to stop Afghanistan from plunging into chaos; the U.S. calls on the Europeans to do more, but they are not very enthusiastic about it. France's return to NATO is right, but it will not resolve the problems of Europe's defense policy."

Die Zeit noted: "This is not a repentant concession. The continental nuclear power, which spends more on its military forces than many other Europeans, sees itself as the builder of a European defense.... France maintains the claim to play a special role.... Sarkozy can now say: We are back! And he will be celebrated for it during the NATO summit in April."

¶4. Mideast and Iran Policy

Die Zeit wrote: "Hillary Clinton just returned from her exploratory trip. She struck all the right notes: a Palestinian state and support for President Abbas. In Washington, however, those who served under Bush refer to the ugly rubble, noting that the two-state solution is not an option under the current conditions.... So why does Clinton act is if it is possible? Because the world demands American actions.... Concerning Iran, an extended American hand is reaching out, but Ayatollah Khamenei already claims that Obama is on Bush's wrong path and President Ahmadinejad said America must first change its satanic nature. This is of course revolutionary rhetoric but it also conceals real interests: wants the bomb and a leading role in the Mideast; America wants to stop the bomb and remain a hegemonic power. Can such an enemy be killed with kindness? Let's not forget that a regime like Iran that can no longer buy off its people with economic prosperity needs an external enemy.... Concerning Syria, talks with Damascus are meant to separate the country from Iran's embrace. But with what? With the Golan Heights? Syrian could have had them 20 or 30 years ago, but only in return for a comprehensive peace. Maybe peace is not good for the Alaouite dictatorship, which is based on a very small minority."

Frankfurter Rundschau commented: "The right-wing populist Lieberman will probably become Netanyahu's foreign minister. At best, he will only damage Israel's reputation.... Given this choice, Washington, Brussels and also Cairo will rub their eyes. Much can be said about Netanyahu, but you cannot claim that he does not know that an image is important in politics. Lieberman is the completely wrong guy for the job. He has no diplomatic talent. In Egypt, he is a persona non grata because of his verbal muscle flexing."

15. Financial Crisis

Handelsblatt carried an interview with European Commission President Barroso under the headline: "EU Falls out with the U.S. over Financial Crisis," and wrote: "The majority of EU states and the European Commission are opposed to Washington's demands to increase their economic stimulus programs. In an interview with the paper, European Commission President Barroso said: "We have adopted an ambitious - and in the EU's history, unique - economic stimulus program. We must now allow it to take effect. Then we will also see positive results." He added: "We are not competing" with the U.S. about the best economic stimulus program. Unlike the EU, the United States must invest in its social security system and in its infrastructure. "Our infrastructure is further developed," he said.

Spain's Finance Minister Pedro Solbes explicitly warned the EU in an interview with Handelsblatt against following the U.S. Under the headline: "It is Still Too Early for a euro Bond," he noted that the past demonstrated in Europe that it was always more difficult to reduce spending once this spending had increased. "That is why Europe should act more carefully than the U.S.," Solbes argued.

In an editorial, Handelsblatt judged: "The dreams about transatlantic harmony under President Obama can disappear very quickly when it comes to overcoming the global financial crisis. This issue is now turning into a splitting point between the U.S. and the majority of EU states. The reason for the disgruntlement is a totally different philosophy when it comes to dealing with crises. Thanks to the EU, the positions have at least narrowed down over the years, but as far as transatlantic relations are concerned, there is only NATO as a firm institution, but it is no longer enough to act as a link. The U.S. and the EU have many more questions to discuss. What we are missing is a permanent institution that guarantees a constant dialogue and thus creates the precondition for mutual understanding. Obama must understand that the United States can no longer buy on credit. On a global scale, there are great reservations about trusting especially the U.S. recipes. The Europeans, in turn, have no reason to be arrogant. From the viewpoint of other countries, they are among those who only take the pick of the bunch, while their willingness to support others with their strong finance and economic policy is underdeveloped."

Weekly Die Zeit opined: "Barack Obama hadn't been in office even the first 100 days when he was confronted with the first transatlantic economic conflict. Without the enormous indebtedness in the United States, this crisis would never have happened. But it would be fatal if the Americans now of all times kept their money in their pockets, for global demand would then collapse. First of all, the fire must now be extinguished before a new sprinkler system can be built. That is why the fight against the global recession must be at the top of the agenda [of the G-20]. The G-20 will spend only one percent of its economic output for economic stimulus programs. This is too little because the economies in the EU and the U.S. could easily shrink by four percent. Germany, especially, has some latitude. But all additional measures cost money, and this is by far not as popular as the control of banks or the fight against tax oases, but it is at least as important. In the 1930s, national egotisms prevented a common answer to the global economic crisis. The G-20 should not repeat these mistakes today."

16. Relaxation of U.S.-Cuban Relations

Frankfurter Allgemeine wrote under the headline: Washington Relaxes Sanctions on Cuba," that "Wednesday night, the Congress in Washington made the first steps for a relaxation of the sanctions on Havana." Tagesspiegel and Die Welt noted: "The United States has relaxed its trade and travel restrictions towards Cuba. With this move, President Obama is reversing the policy of his predecessor George W. Bush."

In an editorial, Frankfurter Allgemeine said: "President Obama's approval for the lifting of travel restrictions for exiled Cubans and the lifting of trade sanctions is only a formality. These decisions are offering Obama another opportunity to make visible at home and abroad a new style in U.S. foreign policy without questioning the continuity of foreign policy. The pressure for reforms must come from within Cuba, and it will grow all the faster, the more humanitarian signals emanate from Washington."

According to Berliner Zeitung, "following Obama's new policy towards Iran and Syria and his offer for talks to the 'moderate Taliban,' we now see a gesture towards the arch enemy at his front door. Can we demand more from him after 50 days in office? Yes, we can, for Obama could have done without his promise that the blockade towards Cuba remains intact. This blockade includes not only embargo rules towards Cuba and third countries such as Germany but also many restrictions for U.S. citizens who are not of Cuban origin and who want to visit the island. Not only must a few rules, but the entire embargo be abolished."

Die Tageszeitung opined: "The Obama administration is now keeping to its election campaign promises step by step. It is true that the

United States now wants to relax its trade and travel restrictions towards Cuba, but beyond a welcome symbolic act, this measure will hardly have any consequences. It would have been unrealistic to expect a lifting of the embargo, for in the cold war between Washington and Havana the main issue is great emotions and a lot of money in the form of compensation for nationalized goods and property. That is why this initiative is only the beginning of a lengthy process which will get greater impetus in a few years when the Obama generation will have the say among the exiled Cubans. Those people are curious with regard to their home country and do not demonize it."

¶7. ICC Arrest Warrant for Bashir

Weekly Die Zeit arqued: "A nice coalition has now joined forces [to criticize the ICC's arrest warrant]: Arab potentates who are angry because one of them is now to be put in the dock: a veto power in the UN Security Council [China] that has highly armed the Sudanese regime for years, and western commentators [Wall street Journal, and Paris dailies] who are now degrading the ICC now when push comes to shove. But the ICC's arrest warrant also met with a positive response, among others, from the Obama administration. But neither Washington nor Brussels, Paris, London, or Berlin have thus far shown the courage to confront the elite in Sudan with the choice to either allow the NGOs to return to the crisis region, to seriously try to create peace and to oust your president; or to threaten a no-fly zone over Darfur, impose stricter economic sanctions, issue further ICC warrants and a launch a 'name-and-shame' campaign against every supporter of the regime. In view of all the frenetic activities in the course of the global financial and economic crisis, we like to ignore the fact that the greatest progress in global crisis management has happened in the area of international justice. With this arrest warrant against Omar al-Bashir, the ICC has now put a fateful question to the international community: Are you serious in the fight against the people who get off scot-free or was it not meant this way?

¶8. Eastern European Economic Problems

Berliner Zeitung opined: "Economic prospects are bad everywhere, but they are even worse in eastern Europe. For the countries of the region, this crisis is more than an enormous economic problem. It is a test for the stability of the political system in young democracies. This can be clearly seen in Latvia and Bulgaria but to a smaller extent also in Lithuania and Hungary. But irrespective of this fact, the established parties in these countries consider it more important to continue their trench warfare despite the national emergency situation. At issue is not so much a national rescue effort but who maintains power. At the same time, populist and extreme rightist are gaining power. A victory of such forces in the Latvian or Bulgarian elections, a possible ouster of the governments in Hungary, Lithuania, and Romania, or their victory in the upcoming European Parliament elections would be a nightmare that could become reality."

According to Die Tageszeitung," The finance ministers of the euro countries do not want an early introduction of the Euro in the eastern European countries. This allows only one conclusion: The issue is getting more urgent, because, otherwise, the ministers would not have dealt with the matter. And the financial crisis has demonstrated how quickly a 'no' can change to a 'yes.' Eastern Europe has turned into a 'systemic' risk, just like quite a few banks. The only question is: What will be cheaper, the accession of the Eastern European countries to the euro or massive credit programs of the European Development banks."

KOENIG